

AUGUST 13, 1979

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON AUGUST 13, 1979, AT 10:00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

MINERAL LEASE APPLICATIONS

OIL, GAS AND HYDROCARBON LEASE APPLICATIONS - APPROVED

JB

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas, and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Mineral Lease Appl. No. 37036 Harry B. DeLong 360 Burnside Ave. Los Angeles, CA 90036	T5S, R25E, SLM Sec. 16: all	Uintah 640.00 acres
Mineral Lease appl. No. 37038 Hal A. McVey Westland Bank Bldg. Suite 530 10403 W. Colfax Ave. Lakewood, CO 80215	T7N, R12W, SLM Sec. 2 A11 T7N, R12W, SLM Sec. 16 A11 T7N, R12W SLM Sec. 36 A11	Box Elder 1,915.38 acres
Mineral Lease Appl. No. 37039 Hal A. McVey Westland Bank Bldg. Suite 530 10403 West Colfax Ave. Lakewood, CO 80215	T8N, R12W SLM Sec. 36 A11	Box Elder 640.00 acres
Mineral Lease Appl. No. 37040 Hal A. McVey 10403 West Colfax Ave. Westland Bank Bldg. Suite 530 Lakewood, CO 80215	T10N, R2W, SLM Sec. 2 A11	Box Elder, Cache 639.00 acres
Mineral Lease Appl. No. 37041 Hal A. McVey 10403 W. Colfax Ave. Westland Bank Bldg. Suite 530 Lakewood, CO 80215	T11N, R2W SLM Sec. 6: lots 2,3 NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 10: NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 14: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 24: NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 36: A11	Box Elder & Cache 1,080.11 Acres
Mineral Lease Appl. No. 37042 Hal A. McVey 10403 West Colfax Ave. Westland Bank Bldg., Suite 530 Lakewood, CO 80215	T12N, R2W SLM Sec. 36: S $\frac{1}{2}$ SE $\frac{1}{4}$	Box Elder & Cache 80 Acres
Mineral Lease Appl. No. 37043 Hal A. McVey 10403 West Colfax Ave. Westland Bank Bldg., Suite 530 Lakewood, CO 80215	T24S, R8E, SLM Sec. 16: A11	Emery 640.00 acres
Mineral Lease Appl. No. 37044 Hal A. McVey 10403 West Colfax Ave. Westland Bank Bldg. Suite 530 Lakewood, CO 80215	T7S, R8W, SLM Sec. 2: A11	Tooele 613.28 Acres

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OIL, GAS AND HYDROCARBON LEASE APPLICATIONS - REJECTED *JB*

Upon recommendation of Mr. Blake, the Director rejected the Oil, Gas and Hydrocarbon lease applications listed below ordered the refund of the advance rental to the applicant. The filing fee is forfeited to the State.

Mineral Lease Appl. No. 37045	T6S,R9W SLM	Tooele
Hal A. McVey	Sec. 2: A11	915.26 Acres
10403 West Colfax Ave.	Sec. 16: Lots 1,2,3,4,	
Westland Bank Bldg. Suite 530	5,6 N $\frac{1}{2}$ NE $\frac{1}{4}$	
Lakewood, CO 80215	Sec. 36: Lots 1	

REJECTED: In conflict with ML 37003. Refund due \$916.00

Mineral Lease Appl. No. 37046	T20S,R5W SLM	Millard
Sonja V. McCormick	Sec. 25: NW $\frac{1}{4}$, N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$	200.00 acres
Annex 303 Kearns Bldg.		
SLC, Ut. 84101		

REJECTED: In conflict with ML 36976 Refund due \$200.00

Mineral Lease Appl. No. 37047	T13N,R11W SLM	Box Elder
National Treasure Mines Co.	Sec. 36: A11	640.00 acres
Bldg. #2, 165 S.W. Temple		
SLC, Ut. 84101		

REJECTED: In conflict with ML 37034 Refund due \$640.00

METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED *JB*

Upon recommendation of Mr. Blake, the Director approved the Metalliferous Minerals lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Mineral Lease Appl. No. 37037	T39S,R5E, SLM	Kane
Jerome B. Guinand	Sec. 32, A11	1,281.88 acres
9018 So. Kings Hill Place	T40S,R5E SLM	
Sandy, Ut. 84070	Sec. 2, A11	

CORRECTION ON DIRECTORS MINUTES July 11, 1979 *JB*

On July 11th Director's Minutes the Director approved MLA 36943, OG&H, as to the following:

T40S,R22E,SLM	
Sec. 20: SW $\frac{1}{4}$	San Juan

This application should have been rejected for reason of conflict with the July Simultaneous Filing and the applicant named below should be refunded \$160.00 paid in advance rentals.

Jerry P. Hill
1628 - 1600 Broadway
Denver, CO 80202

Therefore, upon recommendation of Mr. Blake, the Director approved this correction and rejected this Oil, Gas and Hydrocarbon lease application and ordered the refund of the \$160.00 advance rental to the applicant.

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REQUEST FOR APPROVAL OF THE CAL VALLEY UNIT

Placid Oil Company, operator of the proposed Cal Valley Unit, has submitted this unit agreement for approval by the State of Utah.

The Cal Valley unit is located in along the Millard County and Sanpete County Line about 3 to 8 miles southeast of the town of Scipio. The unit area contains 23,713.78 acres of which 18,900.86 acres or 79.70 percent are Federal lands, 2,643.24 acres or 11.15 percent are State lands, and 2,160.68 acres or 9.15 percent are private lands. This unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 100 feet of the sub-thrust Kaibab formation, but not to exceed a depth of 12,500 feet. This agreement is on the standard unit form and contains all of the necessary State lands provisions.

The following are the State of Utah leases in the Cal Valley Unit:

ML 27361 Placid Oil Company
ML 27362 Placid Oil Company
ML 27664 Placid Oil Company

All of these leases have been committed to this unit. Upon recommendation of Mr. Prince, the Director approved this Unit.

REQUEST FOR APPROVAL OF THE SAGE VALLEY UNIT, PLACID OIL COMPANY,
OPERATOR

Placid Oil Company, operator of the proposed Sage Valley Unit, has submitted this unit for approval by the State of Utah.

The Sage Valley Unit is located in southeastern Juab County immediately west of Chicken Creek Reservoir southwest of the town of Levan. The Sage Valley Unit contains 21,061.59 acres of which 8,563.36 acres or 40.66 percent are Federal lands, 400.00 acres or 1.90 percent are State lands, and 12,098.23 acres or 57.44 percent are private lands. This unit agreement requires that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 100 feet of the Jurassic Navajo formation, but not to exceed a total depth of 7,500 feet. This unit is on the standard unit form and contains the necessary State lands provisions.

The following are the State of Utah oil, gas, and hydrocarbon leases in the Sage Valley Unit:

ML 27601 Williams Exploration Company - 90 percent
Hematite Petroleum USA, Inc. - 10 percent

ML 27604 Williams Exploration Company - 90 percent
Hematite Petroleum USA, Inc. - 10 percent

These leases have been committed to this unit. Upon recommendation of Mr. Prince, the Director approved this Unit.

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DIVISION ORDERS FOR THE NATURAL BUTTES UNIT WELL NO. 31-12B and
No. 32-13B

Belco Petroleum Corporation, operator of the wells listed above which are within the Natural Buttes Unit, has submitted division orders covering production from these wells. Well No. 31-12B is located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 12, Township 10 South, Range 22 East, SLM.; and Well No. 31-13B is located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 13, Township 10 South, Range 22 East, SLM. Royalty from Well No. 31-12B should be credited to U-01197-A-State, and royalty from well No. 31-13B should be credited to U-08512-State. These division orders correctly set out the interests of the State of Utah; therefore, upon recommendation of Mr. Prince, the Director approved this Unit

RELINQUISHMENTS OF MINERAL LEASES

The lessees under the metalliferous minerals leases listed below have filed relinquishments affecting these leases. Upon recommendation of Mr. Prince, the Director approved the relinquishment of these lands and listing them for lease by simultaneous bid.

Total Relinquishment

ML 28723 Ranchers Exploration and Development Corporation

T25S, R15E, SLM.
Section 2: All
Section 16: All 1309.88 acres

Partial Relinquishments

ML 28721 Ranchers Exploration and Development Corp.

Relinquished lands..... T25S, R14E, SLM.
Section 2: All 694.20 acres
Retained lands T25S, R14E, SLM.
Section 16: All 640.00 acres

ML 28725 Ranchers Exploration and Development Corp.

Relinquished lands..... T25S, R14E, SLM.
Section 2: All 658.44 acres
Retained lands T25S, R14E, SLM.
Section 16: All 640.00 acres

RIGHT OF WAYS - APPROVED

RIGHT OF ENTRY

KMH

R/W No. 1791 Pacific West Exploration Company, P.O. Box 518, Paguitch, Utah 84759, has requested permission to conduct a geophysical survey across State land in Garfield County:

T34S, R2W, Secs 18,19; T34S, R3W, Sec 11,13, & 24;
T36S, R4W, Secs 1 & 3

The fee for this survey is \$50.00 per mile for 3 miles , \$150.00, plus the \$20.00 filing fee. School fund: \$146.90; Utah State Hospital: \$3.10. Upon recommendation of Mr. Higgins, the Director approved this Right of Entry. The completion date is January 15, 1980.

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RIGHT OF ENTRY *KMH*

R/W No. 1795 Geophysical Services Inc., Bryce Way Motel, Panguitch, Utah 97859, has requested permission to conduct a geophysical vibroseis seismic survey across State land in Garfield County

T34S, R2W, Secs 31,32,33; T34S, R3W, Sec 35

The fee for the survey is \$50.00 per mile for 5 miles, \$250.00, plus \$20.00 application fee. School fund. Upon recommendation of Mr. Higgins, the Director approved this Right of Entry. The completion date is November 30, 1979.

COLLATERAL ASSIGNMENT - GRAZING LEASE *KMH*

GL 21383 Paul D. Redd, Paradox, Colorado has filed a collateral assignment on this grazing lease to Federal land Bank of Wichita, Wichita, Kansas. Upon recommendation of Mr. Higgins, the Director approved this collateral assignment.

GRAZING LEASE ASSIGNMENT *KMH*

GL 20110 Kenneth Whitlock has submitted an assignment of this grazing lease to Gerald Willden, Box 430 Gregory Way, Sparks, Nevada 89431. Upon recommendation of Mr. Higgins, the Director approved this assignment.

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GRAZING LEASE ASSIGNMENT *MMW*

GL 20906 H. P. McLish, President of Flying Daimond Ranches, Inc. has submitted an assignment of Grazing Lease No. 20906 to Gary F. Sprouse, Star Route, Box 16, Roosevelt, Utah 84066 Upon recommendation of Mr. Wall, the Director approved this assignment.

RIGHT OF WAYS - APPROVED *MMW*

R/W No. 1683 Northwest Pipeline Corp, P.O. Box 1526, Salt Lake City, Utah 84110, has made application for a Right of Way to construct a buried 6 5/8" O.D. Natural gas pipeline across State land in Grand County:

T17S, R23E, Sec 2: SW $\frac{1}{4}$ NW $\frac{1}{4}$, Lot 4, S $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

containing 8.792 acres

The initial payment will be \$1,547.30, plus a \$20.00 application fee. total of \$1,567.30. School fund. Upon recommendation of Mr. Wall, the Director approved this Right of Way, with a \$10.00 fee every third year beginning January 1, 1982.

R/W No. 1753 *MMW*

Sun Gas Company, Division of Sun Oil Company of Delaware 2525 NW Expressway, Oklahoma City, Oklahoma 73112 has applied for a Right of Way along a temporary Tramroad Right of Way to be used for access to and from a gas well and Highway #45 by Sun Gas Company to #3 Utah-Federal D. gas well on State land in Uintah County:

T7S, R24E, Sec 32: SW $\frac{1}{4}$ SW $\frac{1}{4}$; Sec 36: NE $\frac{1}{4}$ NE $\frac{1}{4}$

The initial payment is \$666.67, plus a \$20.00 application fee, total of \$686.67. School fund. Upon recommendation of Mr. Wall, the Director approved this Right of Way, with a \$10.00 fee every third year, beginning January 1, 1982.

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RIGHT OF WAY- APPROVED

28W

R/W No. 1684 Northwest Pipeline Corporation, P.O. Box 1526, Salt Lake City, Utah 84110 has made a request for a right of way to construct a 4½" O.D. natural gas pipeline across State land in Grand County:

T17S, R23E, Sec 2: SW¼NW¼, 0.157 acres

The initial payment will be \$160.00, plus a \$20.00 application fee, total \$180.00. School fund. Upon recommendation of Mr. Wilcox, the Director approved this Right of Way

TIMBER APPLICATIONS

RAM

T/A #539 John S. Smith, 49 East 3700 South, Nibley, Utah 84321
6.77 MBF Lodgepole pine and Subalpine fir
Total cost: \$300.00
T12N, R4E, Sec 2: SE¼SW¼ Rich County

Upon recommendation of Mr. Miles, the Director approved this Timber application.

Qm

INTEREST RATES

CURRENT WEEK

YEAR AGO

Prime Rate	11.75	8.75
Federal Funds	10.23	7.49
Discount Rate	10.00	7.00

MINERAL LEASES TO BE CANCELLED

The following leases are to be cancelled due to non-payment of 1979 rental. Certified notices were mailed. The Director approved these cancellations and listing the lands for lease by simultaneous bid.

NAME	ACCOUNT NO.	TYPE
Coastal States Energy Co.	ML 34057	Coal
Coastal States Energy Co.	ML 34058	Coal
Coastal States Energy Co.	ML 34059	Coal

W. Dinehart
WILLIAM K. DINEHART, DIRECTOR
DIVISION OF STATE LANDS

Verna A. Petersen
VERNA A. PETERSEN, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209